

IRS News Release

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Retirement Plans Need Not File Fringe Benefit Information

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WASHINGTON — The Internal Revenue Service reminds employers and retirement plan professionals that they no longer have to file information about fringe benefit plans. The IRS suspended the requirement for an annual Form 5500 and Schedule F last year for such so-called “pure fringe benefit plans.”

The IRS has since eliminated Schedule F altogether and also modified Form 5500 so fringe benefit plans could not be reported. However, based on past experience, the IRS is concerned that some employers may try to adapt prior year forms and schedules or add write-in information on a Form 5500 because they mistakenly think the filing requirement still exists.

In fact, pure fringe benefit plans have no IRS filing requirement and therefore should file neither a Form 5500 nor a Schedule F.

After it announced the suspension of the fringe benefit plan filing requirement last year, the IRS received almost 70,000 unnecessary Form 5500/Schedule F returns. This represented over 100,000 hours of unnecessary filing burden on the part of employers and plan sponsors.

Most employee benefit plans must file 2002 Forms 5500 by July 31, 2003. The IRS noted that the filing requirement for welfare benefit plans that are subject to Title I of ERISA and that are associated with fringe benefit plans must still file Form 5500. See the instructions to Form 5500 for detailed filing requirement information.

To aid employers and plan sponsors with their filing requirements, the IRS recently posted Form 5500 filing tips on its Web site. These tips are based on frequently asked questions the agency receives concerning Form 5500 and related schedules, and on common reporting and filing errors the agency has analyzed from past years.

Paying attention to the tips should help employers and plan administrators avoid errors that can slow the processing of returns and cause extra correspondence between employers and the IRS. The filing tips can be found at www.irs.gov/ep -- once there, click on “EP Forms & Publications” under “Topics.”

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